

**FINANCIAL STATEMENTS**  
*61-1040*  
**TOWNSHIP OF DALTON**  
**MUSKEGON COUNTY, MICHIGAN**

**MARCH 31, 2004**

**RICHARD B. PARKER, CPA, PC**  
CERTIFIED PUBLIC ACCOUNTANT  
2264 EAST MEINERT  
HOLTON, MICHIGAN 49425  
(231) 893-3178

# AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <u>DALTON</u>	County <u>MUSKEGON</u>
Audit Date <u>3/31/04</u>	Opinion Date <u>7/13/04</u>	Date Accountant Report Submitted to State: <u>9/30/04</u>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

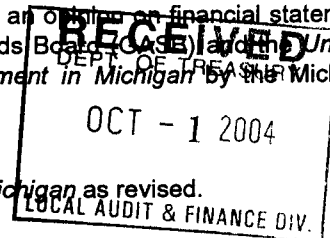
You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☒ yes ☐ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

## We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) <u>RICHARD B. PARKER, CPA, PC</u>			
Street Address <u>2264 E. MEINERT</u>	City <u>HOLTON</u>	State <u>MI</u>	ZIP <u>49425</u>
Accountant Signature <u>Richard B Parker</u>			



FINANCIAL STATEMENTS  
TOWNSHIP OF DALTON  
MUSKEGON COUNTY, MICHIGAN

MARCH 31, 2004

DALTON TOWNSHIP  
Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Combined Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenues and Expenditures and Changes in Fund Balance - All Governmental Fund Types	3
Combined Statement of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual - General, Special Revenue, and Debt Service Fund Types	4
Notes to Combined Financial Statements	5-14
Supplementary and Statistical Data:	
Governmental Funds:	
General Fund -	
Statement of Revenues - Budget and Actual	15
Statement of Expenditures - Budget and Actual	16-18
Special Revenue Funds:	
Combining Balance Sheet	19
Combining Statement of Revenues and Expenditures and Changes in Fund Balance	20
Statement of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual:	
Fire Operating Fund	21
Fire Equipment Fund	22
Street Lighting Fund	23
Cemetery Fund	24
Building Department Fund	25
Gypsy Moth Suppression Fund	26
Middle Lake Weed Eradication Fund	27
West Lake Weed Eradication Fund	28
North Lake Weed Eradication Fund	29

DALTON TOWNSHIP  
Table of Contents (Continued)

	<u>Page</u>
Debt Service Funds -	
Combining Balance Sheet	30
Combining Statement of Revenues and Expenditures and Changes in Fund Balance	31
Statement of Revenues and Expenditures and Changes in Fund Balance -	
Budget and Actual:	
Central Fire Station	32
Page Road	33
Lakeshore Road	34
Hamilton Road	35
Dalson Road	36
Johnston/Blair Road	37
Strand Road	38
Williamson Sewer	39
Fiduciary Funds:	
Combining Balance Sheet	40
Combining Statement of Changes in Assets and Liabilities	41
Miscellaneous:	
General Fixed Assets Account Group	42

**RICHARD B. PARKER, CPA, PC**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**2264 EAST MEINERT**  
**HOLTON, MICHIGAN 49425**  
**(616) 893-3178**

Honorable Supervisor and Members  
of the Township Board  
Township of Dalton  
Muskegon County, Michigan

Independent Auditor's Report

I have audited the general purpose financial statements of the various funds and account groups of the Township of Dalton, Muskegon County, Michigan as of March 31, 2004 as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 5 to the general purpose financial statements, the assets in the General Fixed Assets Account Group acquired prior to April 1, 1983 are carried at amounts which generally approximate cost. Due to the lack of available records, the Township is not able to determine actual, historical cost of the affected assets.

In my opinion, except for the effect the matter described in the preceding paragraph may have on the financial statements of the General Fixed Assets Account Group, the aforementioned general purpose financial statements present fairly in all material respects the financial position of the Township of Dalton, Muskegon County, Michigan at March 31, 2004, and the results of its operations for the year then ended, in conformity with U.S. generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Dalton, Muskegon County, Michigan. The supplementary and statistical data have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, are stated fairly in all material respects in relation to the general purpose financial statements taken as a whole.

*Richard B. Parker*  
Certified Public Accountant

July 13, 2004  
Holton, Michigan

DALTON TOWNSHIP  
Combined Balance Sheet  
ALL FUND TYPES AND ACCOUNT GROUPS  
March 31, 2004

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$611,325	\$295,180	\$ 64,012
Special assessments receivable	-	-	130,920
Taxes receivable	21,811	31,965	-
Accounts receivable	85,913	-	-
Due from other funds	3,635	9,199	-
Property, plant and equipment	-	-	-
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long term debt	-	-	-
	<u>\$722,684</u>	<u>\$336,344</u>	<u>\$194,932</u>
<u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES:			
Accounts payable	\$ 27,995	\$ 18,223	\$ -
Due to other funds	9,599	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	97,701
Bonds payable	-	-	-
Note payable	-	-	-
Contracts payable	-	-	-
TOTAL LIABILITIES	<u>37,594</u>	<u>18,223</u>	<u>97,701</u>
FUND EQUITY:			
Investment in general fixed assets	-	-	-
Fund balance	<u>685,090</u>	<u>318,121</u>	<u>97,231</u>
TOTAL EQUITY	<u>685,090</u>	<u>318,121</u>	<u>97,231</u>
	<u>\$722,684</u>	<u>\$336,344</u>	<u>\$194,932</u>

The notes to the combined financial statements are an integral part of this statement.

Fiduciary Fund Types	Account Groups		TOTAL (memorandum only)	
	General Assets	Fixed Long Term Debt	March 31, 2004	2003
Agency Funds				
\$88,127	\$ -	\$ -	\$1,058,644	\$1,340,020
-	-	-	130,920	148,886
-	-	-	53,776	59,414
-	-	-	85,913	16,169
400	-	-	13,234	12,905
-	2,409,056	-	2,409,056	2,231,248
-	-	97,231	97,231	169,185
-	-	293,430	293,430	222,018
<u>\$88,527</u>	<u>\$2,409,056</u>	<u>\$390,661</u>	<u>\$4,142,204</u>	<u>\$4,199,845</u>

\$30,271	\$ -	\$ -	\$ 76,489	\$ 42,860
3,635	-	-	13,234	12,905
54,621	-	-	54,621	242,443
-	-	-	97,701	122,041
-	-	130,000	130,000	156,000
-	-	55,880	55,880	-
-	-	204,781	204,781	235,203
<u>88,527</u>	<u>-</u>	<u>390,661</u>	<u>632,706</u>	<u>811,452</u>
-	2,409,056	-	2,409,056	2,231,248
-	-	-	<u>1,100,442</u>	<u>1,157,145</u>
-	2,409,056	-	3,509,498	3,388,393
<u>\$88,527</u>	<u>\$2,409,056</u>	<u>\$390,661</u>	<u>\$4,142,204</u>	<u>\$4,199,845</u>



DALTON TOWNSHIP  
Combined Statement of Revenues and Expenditures and Changes in Fund Balance  
ALL GOVERNMENTAL FUND TYPES  
For the Year Ended March 31, 2004

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
REVENUES:			
Taxes	\$169,785	\$286,019	\$ -
Licenses and permits	1,126	122,148	-
State grants	607,001	-	-
Charges for services	31,382	54,268	-
Interest earned	5,678	1,366	4,680
Rent	5,550	-	-
Other revenue	<u>105,405</u>	<u>5,870</u>	<u>26,783</u>
TOTAL REVENUE	<u>925,927</u>	<u>469,671</u>	<u>31,463</u>
EXPENDITURES:			
Legislative	76,187	-	-
General government	365,535	9,419	-
Public safety	72,730	323,489	-
Public works	101,538	25,892	-
Recreation and cultural	38,120	-	-
Other functions	125,357	-	7,240
Capital outlay	59,033	199,546	-
Debt service -			
Principal	-	58,570	87,852
Interest and fiscal changes	<u>-</u>	<u>10,409</u>	<u>12,850</u>
TOTAL EXPENDITURES	<u>838,500</u>	<u>627,325</u>	<u>107,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>87,427</u>	<u>(157,654)</u>	<u>(76,479)</u>
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	-	18,000	4,525
Loan proceeds	-	90,000	-
Transfers to other funds	<u>(22,525)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(22,525)</u>	<u>108,000</u>	<u>4,525</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	64,902	(49,654)	(71,954)
FUND BALANCE - BEGINNING OF YEAR	<u>620,188</u>	<u>367,772</u>	<u>169,185</u>
FUND BALANCE - END OF YEAR	<u>\$685,090</u>	<u>\$318,118</u>	<u>\$ 97,231</u>

The notes to the combined financial statements are an integral part of this statement.

TOTAL  
(memorandum only)  
March 31,

<u>2004</u>	<u>2003</u>
\$ 455,804	\$ 499,417
123,274	113,676
607,001	589,094
85,650	39,535
11,724	25,147
5,550	5,275
<u>138,058</u>	<u>98,898</u>
<u>1,427,061</u>	<u>1,371,042</u>
76,187	77,216
374,954	366,503
396,219	392,944
127,430	150,413
38,120	47,532
132,597	123,151
258,579	53,010
146,422	346,060
<u>23,259</u>	<u>44,375</u>
<u>1,573,767</u>	<u>1,601,204</u>
<u>(146,706)</u>	<u>(230,162)</u>
22,525	8,082
90,000	-
<u>( 22,525)</u>	<u>( 8,082)</u>
<u>90,000</u>	<u>-</u>
( 56,706)	(230,162)
<u>1,157,145</u>	<u>1,387,307</u>
<u>\$1,100,439</u>	<u>\$1,157,145</u>

DALTON TOWNSHIP  
Combined Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
GENERAL AND SPECIAL REVENUE FUND TYPES  
For the Year Ended March 31, 2004

	GENERAL		
	Budget	Actual	Variance - favorable (unfavorable)
REVENUES:			
Taxes	\$166,158	\$169,785	\$ 3,627
Licenses and permits	1,350	1,126	( 224)
State grants	548,967	607,001	58,034
Charges for services	2,000	31,382	29,382
Interest earned	8,420	5,678	( 2,742)
Rent	5,100	5,550	450
Other revenue	<u>161,425</u>	<u>105,405</u>	<u>(56,020)</u>
TOTAL REVENUE	<u>893,420</u>	<u>925,927</u>	<u>32,507</u>
EXPENDITURES:			
Legislative	68,823	76,187	( 7,364)
General government	372,233	365,535	6,698
Public safety	76,976	72,730	4,246
Public works	127,285	101,538	25,747
Recreation and cultural	42,005	38,120	3,885
Other functions	112,471	125,357	(12,886)
Capital outlay	126,277	59,033	67,244
Debt service -			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>926,070</u>	<u>838,500</u>	<u>87,570</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(32,650)</u>	<u>87,427</u>	<u>120,077</u>
OTHER FINANCING SOURCES (USES):			
Transfer from other funds	25,000	-	(25,000)
Loan proceeds	-	-	-
Transfer to other funds	<u>(23,800)</u>	<u>(22,525)</u>	<u>1,275</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,200</u>	<u>(22,525)</u>	<u>(23,725)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(31,450)	64,902	96,352
FUND BALANCE - APRIL 1, 2003	<u>620,188</u>	<u>620,188</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$588,738</u>	<u>\$685,090</u>	<u>\$ 96,352</u>

The notes to the combined financial statements are an integral part of this statement.

SPECIAL REVENUE

<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
\$284,225	\$286,019	\$ 1,794
110,000	122,148	12,148
-	-	-
41,113	54,268	13,155
3,900	1,366	( 2,534)
-	-	-
<u>15,362</u>	<u>5,870</u>	<u>( 9,492)</u>
<u>454,600</u>	<u>469,671</u>	<u>15,071</u>
-	-	-
8,564	9,419	( 855)
302,837	323,489	( 20,652)
20,950	25,892	( 4,942)
-	-	-
-	-	-
80,750	199,546	(118,796)
54,257	58,570	( 4,313)
<u>-</u>	<u>10,409</u>	<u>( 10,409)</u>
<u>467,358</u>	<u>627,325</u>	<u>(159,967)</u>
<u>(12,758)</u>	<u>(157,654)</u>	<u>(144,896)</u>
18,000	18,000	-
-	90,000	90,000
<u>-</u>	<u>-</u>	<u>-</u>
<u>18,000</u>	<u>108,000</u>	<u>90,000</u>
5,242	( 49,654)	( 54,896)
<u>367,772</u>	<u>367,772</u>	<u>-</u>
<u>\$373,014</u>	<u>\$318,118</u>	<u>\$ ( 54,896)</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Dalton Township relating to the funds and account groups included in the accompanying combined financial statements conform to U.S. generally accepted accounting principles applicable to state and local governments. The following is a summary of the more significant of such policies:

(a) Reporting Entity

The Township's general purpose financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "The Financial Reporting Entity", is financial accountability. Financial Accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The Township's general purpose financial statements do not include the operations of other governments or various local agencies for which grants and fundings are issued by the Township, because none of the criteria for inclusion as set forth in GASB No. 14 have been met.

(b) Basis of Presentation - Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Township:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the Township are financed. The acquisition, use, and balances of the Township's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Township's governmental fund types:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation - Fund Accounting (continued)

Capital Project Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by proprietary or Trust Funds.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long term debt principal, interest and related costs.

FIDUCIARY FUND TYPES

Trust and Agency Funds - The Trust and Agency funds are utilized to account for assets held by the Township in a trustee or custodial capacity for individuals and other entities.

ACCOUNT GROUPS

The accounting and reporting treatment applied to the fixed assets and long term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized. Such assets normally are immovable and of value only to the Township. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets. No depreciation has been provided on general fixed assets.

Assets purchased are recorded as expenditures in the governmental funds and, as discussed in Note 4, subsequent to 1983 were capitalized at cost in the general fixed assets account group.

Long term liabilities expected to be financed from governmental funds are accounted for in the General Long Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation - Fund Accounting (continued)

ACCOUNT GROUPS (CONTINUED)

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long Term Debt Account Group.

(c) Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The governmental fund types (General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Even though the Fiduciary Fund Type (Agency Funds) does not involve the measurement of operations, the modified accrual basis of accounting is followed for recognizing assets and liabilities. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or seen enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

(d) Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to March 31, the Township board reviews a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Township hall to obtain taxpayer comments.
3. At the first regular meeting, after the annual meeting, the budget is legally adopted.
4. Formal budgetary integration is not employed for any fund. However, informational summaries are prepared for all funds to serve as a management tool and are presented to the Township Board for consideration.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Budgets and Budgetary Accounting (Continued)

5. Budgets for the General Fund, Special Revenue Funds and Debt Service Funds are adopted on a basis consistent with U.S. generally accepted accounting principles to the activity level.

(e) Property Taxes

Property taxes attach as enforceable liens on property as of December 31. Taxes are levied on December 1 of the following year and are payable from the date of levy through February 28. Taxes levied December 1 are recognized as revenue when they become available for appropriation, which is the fiscal year during which they are levied. The Township bills and collects its own property taxes.

(f) Cash and Cash Equivalents

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments, if any, with original maturities of three months or less from date of acquisition.

(g) Total (memorandum only)

The total columns presented in the combined financial statements are the aggregate of the fund types and account groups. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated two banks for the deposit of Township funds. The investment policy as required by Act 196 PA 1997 has been adopted by the board and accepted by the financial institutions.



NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

The Township's deposits are in accordance with statutory authority.

The risk disclosures for the Township's cash deposits as required by GASB Statement 3, are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 78,941	\$ 115,579
Uninsured and uncollateralized	<u>979,703</u>	<u>1,000,581</u>
Total deposits	<u>\$1,058,644</u>	<u>\$1,116,160</u>

NOTE 3 - SPECIAL ASSESSMENTS RECEIVABLE

Special assessments receivable as of March 31, 2004 are as follows:

Page Road	\$ 1,708
Dalson Road	3,877
Strand Road	69,455
Williamson Sewer	<u>55,880</u>
	<u>\$130,920</u>

An allowance for uncollectible accounts is not deemed necessary by management.

NOTE 4 - PROPERTY TAXES

The Township's ad valorem property tax is levied each December 1 on the taxable value listed as of the prior December 31 for all real and business personal property located in the Township. The taxable value of the roll on December 31, 2002, upon which the levy for the 2003 fiscal year was based, was \$161,440,411 (the state equalized value was \$204,081,500).

The tax rates assessed for the year ended March 31, 2004 were as follows:

	<u>Millage Rate</u>
General Fund	1.0510
Fire Operation Fund	1.2127
Fire Equipment Fund	<u>.4624</u>
	<u>2.7261</u>

Taxes are due on December 1 and become delinquent by February 28 following the December 1 levy date. Current tax collections for the year ended March 31, 2004 were 88% of the tax levy.

NOTE 4 - PROPERTY TAXES (CONTINUED)

At March 31, 2004 the components of delinquent taxes receivable are as follows:

General Fund	\$21,811
Fire Operating Fund	21,451
Fire Equipment Fund	8,165
Street Lighting Fund	<u>2,349</u>
	<u>\$53,776</u>

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
Land and Buildings	\$1,181,489	\$ 29,426	\$ -	\$1,210,915
Fire Department -				
Vehicles	822,997	140,865	-	963,862
Equipment	69,685	-	-	69,685
Other -				
Vehicles	2,683	3,517	-	6,200
Equipment	<u>154,394</u>	<u>4,000</u>	<u>-</u>	<u>158,394</u>
	<u>\$2,231,248</u>	<u>\$177,808</u>	<u>\$ -</u>	<u>\$2,409,056</u>

The General Fixed Assets Account Group was established in 1983-84 at amounts which generally approximate cost. Due to a lack of available records, the Township was not able to determine actual, historical cost of the affected assets.

NOTE 6 - RETIREMENT PLAN

The Township's retirement plan is administered by Paine Webber, Incorporated. It is a defined contribution retirement plan which provides retirement benefits for elected officials and full time employees. The Township contributed an amount equal to 11% of the employees gross salaries. The amount contributed for the year ended March 31, 2004 was \$24,450. Total Township payroll for the year was approximately \$336,000 including approximately \$220,000 payroll covered by the plan. Employees become 100% vested in the Township's contributions after six months of service.

DALTON TOWNSHIP  
Notes to General Purpose Financial Statements  
March 31, 2004

Page 7

NOTE 7 - CHANGES IN LONG TERM DEBT:

The following is a summary of long term debt transactions of the Township for the year ended March 31, 2004:

	<u>Special Assessment Bonds</u>			
		<u>Strand Road</u>	<u>Lakeshore Road</u>	
Balance - April 1, 2003		\$150,000	\$ 6,000	
Payments		<u>(20,000)</u>	<u>(6,000)</u>	
Balance - March 31, 2004		<u>\$130,000</u>	<u>\$ -</u>	
	<u>Contract Payable</u>	<u>Contract Payable</u>	<u>Contract Payable</u>	<u>Note Payable</u>
Balance - April 1, 2003	\$ -	\$ 61,852	\$173,351	\$55,880
Loan proceeds	90,000	-	-	-
Payments	<u>(12,144)</u>	<u>( 61,852)</u>	<u>(46,426)</u>	<u>-</u>
Balance - March 31, 2004	<u>\$ 77,856</u>	<u>\$ -</u>	<u>\$126,925</u>	<u>\$55,880</u>

Long term debt at March 31, 2004 is comprised of the following:

Contracts Payable:

On June 2, 2003 the Township entered into an installment purchase agreement under Act 99 of the Public Acts of Michigan of 1933, as amended, with Alexis Fire Equipment Company and National City Bank, as assignee of Alexis Fire Equipment Company in the amount of \$90,000 for the purchase of a mini pumper for the Fire Department at a total cost of \$140,865. This installment purchase agreement is payable in fourteen semi-annual installments of \$7,385.59, including interest at 4% per annum. The first installment was due September 30, 2003. The final installment is due March 30, 2010. The balance at March 31, 2004 is \$77,856.

On July 22, 1999 the Township entered into an installment purchase agreement under Act 99 of the Public Acts of Michigan of 1933, as amended, with Alexis Fire Equipment Company and National City Bank, as assignee of Alexis Fire Equipment Company in the amount of \$316,703 for the purchase of a new pumper fire truck and a new rescue truck. This installment purchase agreement is payable in fourteen semi-annual installments of \$27,103.72, including interest at the rate of 4.75% per annum. The first installment was due March 31, 2001. The final installment is due September 30, 2006. The balance at March 31, 2004 is \$126,925.

DALTON TOWNSHIP  
Notes to General Purpose Financial Statements  
March 31, 2004

Page 8

NOTE 7 - CHANGES IN LONG TERM DEBT (CONTINUED)

Note Payable:

On September 3, 2002 the Township entered into an agreement with the County of Muskegon, Michigan in the amount of \$61,600 for the construction of the Williamson Road sewer project. The note is payable over ten years with a final due date of November 1, 2012. The Township agrees to repay the County by annually remitting collections received from the Williamson Road special assessment roll (including interest) beginning March 1, 2003 and every year thereafter until fully paid. The repayment schedule includes the interest charged on the special assessment roll of 5% per annum. The balance at March 31, 2004 is \$55,880.

Bonds:

Special Assessment Bonds - Strand Road:

\$170,000, 2001 special assessment bonds due in annual installments of \$5,000 to \$20,000 through March 1, 2011; interest of 5.1% to 7.00%

\$130,000

The annual requirement to amortize all outstanding debt, including interest, at March 31, 2004 are as follows:

	Year Ended March 31,	Contracts Payable	Note Payable	Special Assessment Bonds Strand Road
2005		\$ 68,979	\$ 8,624	\$ 26,670
2006		68,979	8,316	25,620
2007		41,875	8,008	19,570
2008		14,771	7,700	23,805
2009		14,771	7,392	22,785
2010 - 2012		14,771	20,328	37,765
		<u>\$224,146</u>	<u>\$60,368</u>	<u>\$156,215</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	<u>\$ 3,635</u>	Sewer Trust Trust and Agency	\$ 841 <u>2,794</u>
Subtotal	<u>\$ 3,635</u>	Subtotal	<u>3,635</u>
Fire Operating	2,671	General Fund	<u>9,599</u>
Building Department	6,528		
Trust and Agency	<u>400</u>		
Subtotal	<u>9,599</u>	Subtotal	<u>9,599</u>
TOTAL	<u>\$13,234</u>	TOTAL	<u>\$13,234</u>

NOTE 9 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Township maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 10 - CONTINGENT LIABILITIES

The Township is involved in a dispute with the County of Muskegon concerning the payment of sewer access right fees originating in 1981. The amount of liability, if any, can not be determined at this time although the Township believes such amount, if any, to be immaterial.

On December 13, 1982, Dalton Township and two other Townships, entered into an agreement with the County of Muskegon for the construction of a water supply system. Construction of the system was financed by the issue of \$1,100,000, County of Muskegon bonds, which principal and interest to be paid by a "Pooled Account", maintained by the County, through the collection of individual user charges and/or an ad valorem tax levy in the event of insufficient user charges. The bonds are contractually secured primarily by the full faith and credit of the Townships, based on a pro-rata allocation and secondarily by the full faith and credit of the County. The Township's pro-rata share of the full faith and credit security is 11.72%. The Township anticipates the user charges will be sufficient to repay the debt obligation.

On May 7, 1984 Dalton Township entered into an agreement with Muskegon Township to provide sanitary sewer services to certain residents of Dalton Township residing near the Muskegon Township sanitary sewer extension. Dalton Township has agreed to collect any direct or indirect connection charges for which Muskegon Township will pay to Dalton Township 5% of such charges.

Dalton Township has further agreed to be responsible to Muskegon Township for payment of the connection charges and user fees whether collected or not.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

Effective May 4, 1998, in addition to pension benefits described in Note 6, the Township provides post-employment benefits for health insurance. The Township will fund the benefit on a pay-as-you-go basis. Eligible employees will be required to pay a portion of the cost with the Township subsidizing the remaining costs.

During the current year one retiree participated for the year at a cost of approximately \$700.

NOTE 12 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

<u>Fund</u>	<u>Total</u> <u>Appropriations</u>	<u>Amount of</u> <u>Expenditures</u>	<u>Budget</u> <u>Variance</u>
General -			
Legislative	\$ 68,823	\$ 76,187	\$ 7,364
Assessor	55,010	60,672	5,662
Sanitary landfill	58,000	66,388	8,388
Other functions	112,471	125,357	12,886
Fire Operating Fund	237,087	252,598	15,511
Fire Equipment Fund	94,257	209,844	115,587
Building Department Fund	92,500	118,505	26,005
West Lake Weed Eradication	-	5,845	5,845
North Lake Weed Eradication	-	4,745	4,745

NOTE 13 - NEW REPORTING STANDARD

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The Township is required to implement this standard for the fiscal year ending March 31, 2005. The Township has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

DALTON TOWNSHIP  
Statement of Revenues - Budget and Actual  
GENERAL FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance - favorable (unfavorable)
TAXES:			
Property taxes	<u>\$166,158</u>	<u>\$169,785</u>	<u>\$ 3,627</u>
LICENSES AND PERMITS	<u>1,350</u>	<u>1,126</u>	<u>( 224)</u>
STATE GRANTS:			
State shared revenue	<u>548,967</u>	<u>607,001</u>	<u>58,034</u>
CHARGES FOR SERVICES:			
Administration fees		30,935	
Miscellaneous		<u>447</u>	
	<u>2,000</u>	<u>31,382</u>	<u>29,382</u>
INTEREST EARNED	<u>8,420</u>	<u>5,678</u>	<u>( 2,742)</u>
RENTAL INCOME	<u>5,100</u>	<u>5,550</u>	<u>450</u>
OTHER REVENUE:			
Transfer station fees	18,500	24,034	5,534
Sale of equipment	100,000	8,197	(91,803)
Refunds and reimbursements	37,500	63,831	26,331
Zoning and variance fees	5,000	9,343	4,343
Miscellaneous	<u>425</u>	<u>-</u>	<u>( 425)</u>
	<u>161,425</u>	<u>105,405</u>	<u>(56,020)</u>
TOTAL REVENUES	<u>\$893,420</u>	<u>\$925,927</u>	<u>\$ 32,507</u>

DALTON TOWNSHIP  
Statement of Expenditures - Budget and Actual  
GENERAL FUND  
For the Year Ended March 31, 2004

Page 1

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
LEGISLATIVE:			
Salaries and wages	\$ 9,748	\$ 9,748	\$ -
Pension	1,075	1,041	34
Professional services	40,000	47,918	(7,918)
Printing and publishing	7,500	8,654	(1,154)
Miscellaneous	<u>10,500</u>	<u>8,826</u>	<u>1,674</u>
TOTAL LEGISLATIVE	<u>68,823</u>	<u>76,187</u>	<u>(7,364)</u>
GENERAL GOVERNMENT:			
SUPERVISOR -			
Salaries and wages	33,208	33,208	-
Pension	3,653	3,571	82
Transportation	1,400	1,400	-
Miscellaneous	<u>1,000</u>	<u>847</u>	<u>153</u>
	<u>39,261</u>	<u>39,026</u>	<u>235</u>
ELECTIONS -			
Salaries and wages	5,000	1,763	3,237
Operating supplies	5,000	-	5,000
Miscellaneous	<u>1,400</u>	<u>-</u>	<u>1,400</u>
	<u>11,400</u>	<u>1,763</u>	<u>9,637</u>
ASSESSOR -			
Contracted services	35,400	38,878	(3,478)
Salaries and wages	16,225	16,164	61
Pension	1,785	1,781	4
Operating supplies	1,100	3,591	(2,491)
Miscellaneous	<u>500</u>	<u>258</u>	<u>242</u>
	<u>55,010</u>	<u>60,672</u>	<u>(5,662)</u>
CLERK -			
Salaries and wages	50,255	50,746	( 491)
Pension	3,660	3,544	116
Transportation	750	549	201
Miscellaneous	<u>3,000</u>	<u>2,045</u>	<u>955</u>
	<u>57,665</u>	<u>56,884</u>	<u>781</u>
BOARD OF REVIEW -			
Salaries and wages	1,800	675	1,125
Miscellaneous	<u>150</u>	<u>-</u>	<u>150</u>
	<u>1,950</u>	<u>675</u>	<u>1,275</u>
TREASURER -			
Salaries and wages	49,127	50,904	(1,777)
Pension	5,320	5,537	( 217)
Supplies	5,500	5,315	185
Transportation	400	631	( 231)
Miscellaneous	<u>2,000</u>	<u>351</u>	<u>1,649</u>
	<u>62,347</u>	<u>62,738</u>	<u>( 391)</u>



DALTON TOWNSHIP  
Statement of Expenditures - Budget and Actual  
GENERAL FUND  
For the Year Ended March 31, 2004

Page 2

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
GENERAL GOVERNMENT (CONTINUED):			
BUILDING AND GROUNDS -			
Salaries and wages	\$ 70,100	\$ 71,563	\$ (1,463)
Pension	5,200	5,006	194
Utilities	2,600	2,836	( 236)
Operating supplies	4,900	5,268	( 368)
Repairs and maintenance	4,250	2,779	1,471
Transportation	2,000	1,660	340
Miscellaneous	<u>1,100</u>	<u>1,858</u>	<u>( 758)</u>
	<u>90,150</u>	<u>90,970</u>	<u>( 820)</u>
GENERAL ADMINISTRATION -			
Supplies	21,500	23,854	(2,354)
Repairs and maintenance	6,750	2,804	3,946
Contracted services	3,200	4,006	( 806)
Utilities	15,000	15,359	( 359)
Miscellaneous	<u>8,000</u>	<u>6,784</u>	<u>1,216</u>
	<u>54,450</u>	<u>52,807</u>	<u>1,643</u>
TOTAL GENERAL GOVERNMENT	<u>372,233</u>	<u>365,535</u>	<u>6,698</u>
PUBLIC SAFETY:			
LAW ENFORCEMENT	<u>43,945</u>	<u>43,331</u>	<u>614</u>
FIRE DEPARTMENT -			
Hydrant rental	<u>4,000</u>	<u>3,760</u>	<u>240</u>
PLANNING COMMISSION -			
Salaries and wages	3,840	4,700	( 860)
Miscellaneous	<u>1,995</u>	<u>366</u>	<u>1,629</u>
	<u>5,835</u>	<u>5,066</u>	<u>769</u>
ZONING/ORDINANCE -			
Salaries and wages	19,896	19,374	522
Supplies	2,000	-	2,000
Miscellaneous	<u>1,300</u>	<u>1,199</u>	<u>101</u>
	<u>23,196</u>	<u>20,573</u>	<u>2,623</u>
TOTAL PUBLIC SAFETY	<u>76,976</u>	<u>72,730</u>	<u>4,246</u>

DALTON TOWNSHIP  
Statement of Expenditures - Budget and Actual  
GENERAL FUND  
For the Year Ended March 31, 2004

Page 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
PUBLIC WORKS:			
SANITARY LANDFILL -			
Contracted services	<u>58,000</u>	<u>66,388</u>	<u>(8,388)</u>
ROADS	<u>60,100</u>	<u>27,313</u>	<u>32,787</u>
DRAINS	<u>900</u>	<u>800</u>	<u>100</u>
SEWAGE DISPOSAL -			
Access fees	<u>2,700</u>	<u>2,546</u>	<u>154</u>
OTHER	<u>5,585</u>	<u>4,491</u>	<u>1,094</u>
TOTAL PUBLIC WORKS	<u>127,285</u>	<u>101,538</u>	<u>25,747</u>
RECREATION AND CULTURAL:			
PARKS -			
Repairs	2,000	5,542	( 3,542)
Utilities	1,000	965	35
Recreational activities	19,000	11,963	7,037
Miscellaneous	<u>2,000</u>	<u>1,646</u>	<u>354</u>
	<u>24,000</u>	<u>20,116</u>	<u>3,884</u>
LIBRARY	<u>18,005</u>	<u>18,004</u>	<u>1</u>
TOTAL RECREATION AND CULTURAL	<u>42,005</u>	<u>38,120</u>	<u>3,885</u>
OTHER FUNCTIONS:			
Refunds	2,000	982	1,018
Employee insurance benefits	70,000	89,660	(19,660)
Insurance and bonds	21,471	16,128	5,343
Payroll taxes	17,200	18,587	( 1,387)
Miscellaneous	<u>1,800</u>	<u>-</u>	<u>1,800</u>
TOTAL OTHER FUNCTIONS	<u>112,471</u>	<u>125,357</u>	<u>(12,886)</u>
CAPITAL OUTLAY	<u>126,277</u>	<u>59,033</u>	<u>67,244</u>
TOTAL EXPENDITURES	<u>\$926,070</u>	<u>\$838,500</u>	<u>\$ 87,570</u>

DALTON TOWNSHIP  
Combining Balance Sheet  
SPECIAL REVENUE FUNDS  
March 31, 2004

<u>ASSETS</u>	<u>Fire Operating</u>	<u>Fire Equipment</u>	<u>Street Lighting</u>	<u>Cemetery</u>
Cash and cash equivalents	\$159,065	\$42,477	\$47,215	\$101
Accounts receivable	-	-	-	-
Taxes receivable	21,451	8,165	2,349	-
Special assessments receivable	-	-	-	-
Due from other funds	<u>2,671</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$183,187</u>	<u>\$50,642</u>	<u>\$49,564</u>	<u>\$101</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Accounts payable	\$ 332	\$15,865	\$ 2,026	\$ -
Fund balance	<u>182,855</u>	<u>34,777</u>	<u>47,538</u>	<u>101</u>
	<u>\$183,187</u>	<u>\$50,642</u>	<u>\$49,564</u>	<u>\$101</u>

<u>Building Department</u>	<u>Gypsy Moth Suppression</u>	<u>Middle Lake Weed Eradication</u>	<u>West Lake Weed Eradication</u>	<u>North Lake Weed Eradication</u>	TOTAL (memorandum only) March 31,	
					<u>2004</u>	<u>2003</u>
\$18,231	\$15,637	\$5,455	\$4,365	\$2,634	\$295,180	\$328,786
-	-	-	-	-	-	6,109
-	-	-	-	-	31,965	32,371
-	-	-	-	-	-	200
<u>6,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,199</u>	<u>9,199</u>
<u>\$24,759</u>	<u>\$15,637</u>	<u>\$5,455</u>	<u>\$4,365</u>	<u>\$2,634</u>	<u>\$336,344</u>	<u>\$376,665</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,223	\$ 8,893
<u>24,759</u>	<u>15,637</u>	<u>5,455</u>	<u>4,365</u>	<u>2,634</u>	<u>318,121</u>	<u>367,772</u>
<u>\$24,759</u>	<u>\$15,637</u>	<u>\$5,455</u>	<u>\$4,365</u>	<u>\$2,634</u>	<u>\$336,344</u>	<u>\$376,665</u>

DALTON TOWNSHIP  
Combining Statement of Revenues and Expenditures and Changes in Fund Balance  
SPECIAL REVENUE FUNDS  
For the Year Ended March 31, 2004

	<u>Fire Operating</u>	<u>Fire Equipment</u>	<u>Street Lighting</u>	<u>Cemetery</u>
REVENUES:				
Property taxes	\$194,793	\$ 74,144	\$17,082	\$ -
Licenses and permits	-	-	-	-
Charges for services	51,631	-	-	2,637
Interest earned	734	328	201	21
Other revenue	<u>11</u>	<u>2,287</u>	<u>-</u>	<u>3,285</u>
TOTAL REVENUES	<u>247,169</u>	<u>76,759</u>	<u>17,283</u>	<u>5,943</u>
EXPENDITURES:				
General government	-	-	-	20,486
Public safety	252,598	140,865	-	-
Public works	-	-	12,177	-
Debt service	<u>-</u>	<u>68,979</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>252,598</u>	<u>209,844</u>	<u>12,177</u>	<u>20,486</u>
	<u>(5,429)</u>	<u>(133,085)</u>	<u>5,106</u>	<u>(14,543)</u>
OTHER FINANCING SOURCES (USES):				
Transfer from other fund	-	-	-	15,000
Loan proceeds	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>15,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,429)	( 43,085)	5,106	457
FUND BALANCE - BEGINNING OF YEAR	<u>188,284</u>	<u>77,859</u>	<u>42,432</u>	<u>( 356)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$182,855</u>	<u>\$ 34,774</u>	<u>\$47,538</u>	<u>\$ 101</u>

Building Department	Gypsy Moth Suppression	Middle Lake Weed Eradication	West Lake Weed Eradication	North Lake Weed Eradication	TOTAL (memorandum only) March 31,	
					2004	2003
\$ -	\$ -	\$ -	\$ -	\$ -	\$286,019	\$268,827
122,148	-	-	-	-	122,148	112,591
-	-	-	-	-	54,268	38,334
-	-	32	31	19	1,366	2,788
<u>179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108</u>	<u>5,870</u>	<u>5,408</u>
<u>122,327</u>	<u>-</u>	<u>32</u>	<u>31</u>	<u>127</u>	<u>469,671</u>	<u>427,948</u>
-	-	-	-	-	20,486	17,974
118,505	-	-	-	-	511,968	335,755
-	-	3,125	5,845	4,745	25,892	29,234
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,979</u>	<u>54,208</u>
<u>118,505</u>	<u>-</u>	<u>3,125</u>	<u>5,845</u>	<u>4,745</u>	<u>627,325</u>	<u>437,171</u>
<u>3,822</u>	<u>-</u>	<u>(3,093)</u>	<u>(5,814)</u>	<u>(4,618)</u>	<u>(157,654)</u>	<u>(9,223)</u>
-	-	1,000	1,000	1,000	18,000	3,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>108,000</u>	<u>3,000</u>
3,822	-	(2,093)	(4,814)	(3,618)	(49,654)	(6,223)
<u>20,937</u>	<u>15,637</u>	<u>7,548</u>	<u>9,179</u>	<u>6,252</u>	<u>367,772</u>	<u>373,995</u>
<u>\$24,759</u>	<u>\$15,637</u>	<u>\$ 5,455</u>	<u>\$ 4,365</u>	<u>\$ 2,634</u>	<u>\$318,118</u>	<u>\$367,772</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
FIRE OPERATING FUND  
For the Year Ended March 31, 2004

	Budget	Actual	Variance - favorable (unfavorable)
REVENUES:			
Property taxes	\$195,500	\$194,793	\$ ( 707)
Charges for services	36,113	51,631	15,518
Interest earned	2,500	734	( 1,766)
Other revenue	<u>1,550</u>	<u>11</u>	<u>( 1,539)</u>
TOTAL REVENUES	<u>235,663</u>	<u>247,169</u>	<u>11,506</u>
EXPENDITURES:			
Salaries and wages	91,299	90,870	429
Pension	3,988	3,970	18
Employee benefits	11,550	15,417	( 3,867)
Payroll taxes	8,000	6,952	1,048
Operating supplies	12,000	10,601	1,399
Repairs and maintenance	12,500	11,654	846
Utilities	12,500	12,391	109
Transportation	4,000	3,055	945
Communications	9,000	7,853	1,147
Training	7,000	5,269	1,731
Contracted services	9,000	8,230	770
Capital outlay	26,750	47,614	(20,864)
Insurance	25,000	25,330	( 330)
Miscellaneous	<u>4,500</u>	<u>3,392</u>	<u>1,108</u>
TOTAL EXPENDITURES	<u>237,087</u>	<u>252,598</u>	<u>(15,511)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,424)	(5,429)	( 4,005)
FUND BALANCE - APRIL 1, 2003	<u>188,284</u>	<u>188,284</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$186,860</u>	<u>\$182,855</u>	<u>\$ ( 4,005)</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
FIRE EQUIPMENT FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance - favorable (unfavorable)
REVENUES:			
Property taxes	\$70,000	\$ 74,144	\$ 4,144
Interest earned	660	328	( 332)
Other revenue	<u>-</u>	<u>2,287</u>	<u>2,287</u>
	<u>70,660</u>	<u>76,759</u>	<u>6,099</u>
EXPENDITURES:			
Capital outlay		140,865	
Debt service -			
Principal		58,570	
Interest		<u>10,409</u>	
TOTAL EXPENDITURES	<u>94,257</u>	<u>209,844</u>	<u>(115,587)</u>
	(23,597)	(133,085)	(109,488)
OTHER FINANCING SOURCES:			
Loan proceeds	<u>-</u>	<u>90,000</u>	<u>90,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(23,597)	( 43,085)	( 19,488)
FUND BALANCE - APRIL 1, 2003	<u>77,859</u>	<u>77,859</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$54,262</u>	<u>\$ 34,774</u>	<u>\$( 19,488)</u>



DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
STREET LIGHTING FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Property taxes	\$18,725	\$17,082	\$(1,643)
Interest earned	<u>325</u>	<u>201</u>	<u>( 124)</u>
TOTAL REVENUES	19,050	17,283	(1,767)
EXPENDITURES:			
Utilities	<u>16,000</u>	<u>12,177</u>	<u>3,823</u>
EXCESS OF REVENUES OVER EXPENDITURES	3,050	5,106	2,056
FUND BALANCE - APRIL 1, 2003	<u>42,432</u>	<u>42,432</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$45,482</u>	<u>\$47,538</u>	<u>\$ 2,056</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
CEMETERY FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Sale of lots	\$ 4,900	\$ 3,285	\$(1,615)
Grave openings	5,000	2,637	(2,363)
Interest	<u>110</u>	<u>21</u>	<u>( 89)</u>
TOTAL REVENUES	<u>10,010</u>	<u>5,943</u>	<u>(4,067)</u>
EXPENDITURES:			
Contracted services	5,000	5,806	( 806)
Operating supplies	1,479	1,478	1
Utilities	500	576	( 76)
Repairs and maintenance	750	776	( 26)
Capital outlay	14,000	11,067	2,933
Miscellaneous	<u>835</u>	<u>783</u>	<u>52</u>
TOTAL EXPENDITURES	<u>22,564</u>	<u>20,486</u>	<u>2,078</u>
	(12,554)	(14,543)	(1,989)
OTHER FINANCING SOURCES (USES):			
Transfer from other fund	<u>15,000</u>	<u>15,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	2,446	457	(1,989)
FUND BALANCE - APRIL 1, 2003	( 356)	( 356)	-
FUND BALANCE - MARCH 31, 2004	<u>\$ 2,090</u>	<u>\$ 101</u>	<u>\$(1,989)</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
BUILDING DEPARTMENT FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Permits	\$110,000	\$122,148	\$ 12,148
Interest	100	-	( 100)
Miscellaneous	<u>-</u>	<u>179</u>	<u>179</u>
	<u>110,100</u>	<u>122,327</u>	<u>12,227</u>
EXPENDITURES:			
Contracted services	86,000	112,988	(26,988)
Operating supplies	1,500	2,171	( 671)
Training	4,500	2,456	2,044
Miscellaneous	<u>500</u>	<u>890</u>	<u>( 390)</u>
TOTAL EXPENDITURES	<u>92,500</u>	<u>118,505</u>	<u>(26,005)</u>
EXCESS OF REVENUES OVER EXPENDITURES	17,600	3,822	(13,778)
FUND BALANCE - APRIL 1, 2003	<u>20,937</u>	<u>20,937</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 38,537</u>	<u>\$ 24,759</u>	<u>\$(13,778)</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
GYPSY MOTH SUPPRESSION FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Special assessments levied	\$ -	\$ -	\$ -
Interest earned	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	-	-	-
EXPENDITURES:			
Miscellaneous	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE - APRIL 1, 2003	<u>15,637</u>	<u>15,637</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$15,637</u>	<u>\$15,637</u>	<u>\$ -</u>

A zero budget was adopted for this fund.

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
MIDDLE LAKE WEED ERADICATION FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance - favorable (unfavorable)
REVENUES:			
Interest	\$ 100	\$ 32	\$ ( 68)
TOTAL REVENUES	<u>100</u>	<u>32</u>	<u>( 68)</u>
EXPENDITURES:			
Weed spraying	4,800	3,125	1,675
Miscellaneous	<u>150</u>	<u>-</u>	<u>150</u>
TOTAL EXPENDITURES	<u>4,950</u>	<u>3,125</u>	<u>1,825</u>
	(4,850)	(3,093)	1,757
OTHER FINANCING SOURCES (USES):			
Transfer from other fund	<u>1,000</u>	<u>1,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,850)	(2,093)	1,757
FUND BALANCE - APRIL 1, 2003	<u>7,548</u>	<u>7,548</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 3,698</u>	<u>\$ 5,455</u>	<u>\$1,757</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
WEST LAKE WEED ERADICATION FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Special assessments levied	\$ 4,700	\$ -	\$( 4,700)
Interest	<u>65</u>	<u>31</u>	<u>( 34)</u>
TOTAL REVENUES	<u>4,765</u>	<u>31</u>	<u>( 4,734)</u>
EXPENDITURES:			
Weed spraying	<u>-</u>	<u>5,845</u>	<u>( 5,845)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>5,845</u>	<u>( 5,845)</u>
	4,765	(5,814)	(10,579)
OTHER FINANCING SOURCES (USES):			
Transfer from other fund	<u>1,000</u>	<u>1,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,765	(4,814)	(10,579)
FUND BALANCE - APRIL 1, 2003	<u>9,179</u>	<u>9,179</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$14,944</u>	<u>\$ 4,365</u>	<u>\$(10,579)</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
NORTH LAKE WEED ERADICATION FUND  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Special assessments levied	\$ 4,212	\$ 108	\$(4,104)
Interest	<u>40</u>	<u>19</u>	<u>( 21)</u>
TOTAL REVENUES	<u>4,252</u>	<u>127</u>	<u>(4,125)</u>
EXPENDITURES:			
Weed spraying	<u>-</u>	<u>4,745</u>	<u>(4,745)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>4,745</u>	<u>(4,745)</u>
	4,252	(4,618)	(8,870)
OTHER FINANCING SOURCES (USES):			
Transfer from other fund	<u>1,000</u>	<u>1,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,252	(3,618)	(8,870)
FUND BALANCE - APRIL 1, 2003	<u>6,252</u>	<u>6,252</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$11,504</u>	<u>\$ 2,634</u>	<u>\$(8,870)</u>

DALTON TOWNSHIP  
Combining Balance Sheet  
DEBT SERVICE FUNDS  
March 31, 2004

	Central Fire Station	Page Road	Lakeshore Road	Hamilton Road	Dalson Road
<u>ASSETS</u>					
Cash and cash equivalents	\$16,383	\$ 819	\$4	\$655	\$ 544
Taxes receivable	-	-	-	-	-
Special assessments receivable	-	1,708	-	-	3,877
	<u>\$16,383</u>	<u>\$2,527</u>	<u>\$4</u>	<u>\$655</u>	<u>\$4,421</u>
 <u>LIABILITIES AND FUND EQUITY</u>					
Due to other fund	\$ -	\$ -	\$-	\$ -	\$ -
Deferred revenue	-	-	-	-	2,585
Fund balance	<u>16,383</u>	<u>2,527</u>	<u>4</u>	<u>655</u>	<u>1,836</u>
	<u>\$16,383</u>	<u>\$2,527</u>	<u>\$4</u>	<u>\$655</u>	<u>\$4,421</u>



<u>Strand Road</u>	<u>Johnston/ Blair Road</u>	<u>Williamson Sewer</u>	TOTAL (memorandum only) <u>March 31,</u>	
			<u>2004</u>	<u>2003</u>
\$ 45,591	\$14	\$ 2	\$ 64,012	\$134,590
-	-	-	-	8,646
<u>69,455</u>	<u>-</u>	<u>55,880</u>	<u>130,920</u>	<u>148,686</u>
<u>\$115,046</u>	<u>\$14</u>	<u>\$55,882</u>	<u>\$194,932</u>	<u>\$291,922</u>

\$ -	\$-	\$ -	\$ -	\$ 696
51,996	-	43,120	97,701	122,041
<u>63,050</u>	<u>14</u>	<u>12,762</u>	<u>97,231</u>	<u>169,185</u>
<u>\$115,046</u>	<u>\$14</u>	<u>\$55,882</u>	<u>\$194,932</u>	<u>\$291,922</u>

DALTON TOWNSHIP  
Combining Statement of Revenues and Expenditures and Changes in Fund Balance  
DEBT SERVICE FUNDS  
For the Year Ended March 31, 2004

	Central Fire Station	Page Road	Lakeshore Road	Hamilton Road	Dalson Road
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned	292	3	2	-	2
Interest on special assessments	-	60	199	-	169
Special assessments levied	-	854	-	-	646
Other revenue	<u>2,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>2,735</u>	<u>917</u>	<u>201</u>	<u>-</u>	<u>817</u>
EXPENDITURES:					
Refunds	-	-	-	-	-
Debt service -					
Principal	61,852	-	6,000	-	-
Interest and fiscal charges	<u>4,927</u>	<u>-</u>	<u>203</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>66,779</u>	<u>-</u>	<u>6,203</u>	<u>-</u>	<u>-</u>
	<u>(64,044)</u>	<u>917</u>	<u>(6,002)</u>	<u>-</u>	<u>817</u>
OTHER FINANCING SOURCES:					
Transfer from other fund	-	-	4,525	-	-
Transfer to other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>4,525</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(64,044)	917	(1,477)	-	817
FUND BALANCE - BEGINNING OF YEAR	<u>80,427</u>	<u>1,610</u>	<u>1,481</u>	<u>655</u>	<u>1,019</u>
FUND BALANCE - END OF YEAR	<u>\$16,383</u>	<u>\$2,527</u>	<u>\$ 4</u>	<u>\$655</u>	<u>\$1,836</u>

Strand Road	Johnston/ Blair Road	Williamson Sewer	TOTAL (memorandum only) March 31,	
			2004	2003
\$ -	\$ -	\$ -	\$ -	\$ 73,874
360	7	-	666	2,781
3,586	-	-	4,014	7,616
16,680	-	6,160	24,340	29,456
-	-	-	2,443	2
<u>20,626</u>	<u>7</u>	<u>6,160</u>	<u>31,463</u>	<u>113,729</u>
-	7,240	-	7,240	-
20,000	-	-	87,852	301,788
<u>7,720</u>	<u>-</u>	<u>-</u>	<u>12,850</u>	<u>34,439</u>
<u>27,720</u>	<u>7,240</u>	<u>-</u>	<u>107,942</u>	<u>336,227</u>
<u>(7,094)</u>	<u>(7,233)</u>	<u>6,160</u>	<u>(76,479)</u>	<u>(222,498)</u>
-	-	-	4,525	17
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 5,065)</u>
-	-	-	4,525	( 5,048)
(7,094)	(7,233)	6,160	(71,954)	(227,546)
<u>70,144</u>	<u>7,247</u>	<u>6,602</u>	<u>169,185</u>	<u>396,731</u>
<u>\$63,050</u>	<u>\$ 14</u>	<u>\$12,762</u>	<u>\$ 97,231</u>	<u>\$169,185</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
DEBT SERVICE FUND - CENTRAL FIRE STATION  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Property taxes	\$74,856	\$ -	\$(74,856)
Interest earned	1,889	292	( 1,597)
Other revenue	<u>-</u>	<u>2,443</u>	<u>2,443</u>
TOTAL REVENUES	<u>76,745</u>	<u>2,735</u>	<u>(74,010)</u>
EXPENDITURES:			
Debt service -			
Principal	65,000	61,852	3,148
Interest	<u>32,000</u>	<u>4,927</u>	<u>27,073</u>
TOTAL EXPENDITURES	<u>97,000</u>	<u>66,779</u>	<u>30,221</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,255)	(64,044)	(43,789)
FUND BALANCE - APRIL 1, 2003	<u>80,427</u>	<u>80,427</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$60,172</u>	<u>\$16,383</u>	<u>\$(43,789)</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
DEBT SERVICE FUND - PAGE ROAD  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance - favorable (unfavorable)
REVENUES:			
Interest earned	\$ 4	\$ 3	\$ ( 1)
Interest on special assessments	-	60	60
Special assessments levied	<u>1,033</u>	<u>854</u>	<u>(179)</u>
TOTAL REVENUES	<u>1,037</u>	<u>917</u>	<u>(120)</u>
EXPENDITURES:			
Debt service -			
Interest	<u>150</u>	<u>-</u>	<u>150</u>
	887	917	30
OTHER FINANCING SOURCES (USES):			
Transfer to other fund	<u>(1,035)</u>	<u>-</u>	<u>1,035</u>
OTHERS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(148)	917	1,065
FUND BALANCE - APRIL 1, 2003	<u>1,610</u>	<u>1,610</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$1,462</u>	<u>\$2,527</u>	<u>\$1,065</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
DEBT SERVICE FUND - LAKESHORE ROAD  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Interest earned	\$ 30	\$ 2	\$( 28)
Interest on special assessments	50	199	149
Special assessments levied	<u>2,518</u>	<u>-</u>	<u>(2,518)</u>
TOTAL REVENUES	<u>2,598</u>	<u>201</u>	<u>(2,397)</u>
EXPENDITURES:			
Debt service -			
Principal	371	6,000	(5,629)
Interest and fiscal charges	<u>1,000</u>	<u>203</u>	<u>797</u>
TOTAL EXPENDITURES	<u>1,371</u>	<u>6,203</u>	<u>(4,832)</u>
	1,227	(6,002)	(7,229)
OTHER FINANCING SOURCES:			
Transfer from other fund	<u>-</u>	<u>4,525</u>	<u>4,525</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1,227	(1,477)	(2,704)
FUND BALANCE - APRIL 1, 2003	<u>1,481</u>	<u>1,481</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$2,708</u>	<u>\$ 4</u>	<u>\$(2,704)</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
DEBT SERVICE FUND - HAMILTON ROAD  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance - favorable (unfavorable)
REVENUES	\$ -	\$ -	\$-
EXPENDITURES	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE - APRIL 1, 2003	<u>655</u>	<u>655</u>	-
FUND BALANCE - MARCH 31, 2004	<u>\$655</u>	<u>\$655</u>	<u>\$-</u>

A zero budget was adopted for this fund.

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
DEBT SERVICE FUND - DALSON ROAD  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance - favorable (unfavorable)
REVENUES:			
Interest earned	\$ 362	\$ 2	\$(360)
Interest on special assessments	10	169	159
Special assessments levied	<u>646</u>	<u>646</u>	<u>-</u>
TOTAL REVENUES	1,018	817	(201)
EXPENDITURES:			
Debt service -			
Interest	<u>362</u>	<u>-</u>	<u>362</u>
	656	817	161
OTHER FINANCING SOURCES:			
Transfer to other fund	<u>(646)</u>	<u>-</u>	<u>646</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10	817	807
FUND BALANCE - APRIL 1, 2003	<u>1,019</u>	<u>1,019</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$1,029</u>	<u>\$1,836</u>	<u>\$ 807</u>



DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
DEBT SERVICE FUND - JOHNSTON/BLAIR ROAD  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance - favorable (unfavorable)
REVENUES:			
Interest earned	\$ -	\$ 7	\$ 7
TOTAL REVENUES	<u>-</u>	<u>7</u>	<u>7</u>
EXPENDITURES:			
Refunds	<u>-</u>	<u>7,240</u>	<u>(7,240)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>7,240</u>	<u>(7,240)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(7,233)	(7,233)
FUND BALANCE - APRIL 1, 2003	<u>7,247</u>	<u>7,247</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 7,247</u>	<u>\$ 14</u>	<u>\$(7,233)</u>

A zero budget was adopted for this fund.

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
DEBT SERVICE FUND - STRAND ROAD  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Interest earned	\$ 753	\$ 360	\$ ( 393)
Interest on special assessments	-	3,586	3,586
Special assessments levied	<u>15,765</u>	<u>16,680</u>	<u>915</u>
TOTAL REVENUES	<u>16,518</u>	<u>20,626</u>	<u>4,108</u>
EXPENDITURES:			
Debt service -			
Principal	19,254	20,000	( 746)
Interest	<u>4,254</u>	<u>7,720</u>	<u>(3,466)</u>
TOTAL EXPENDITURES	<u>23,508</u>	<u>27,720</u>	<u>(4,212)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(6,990)	(7,094)	( 104)
FUND BALANCE - APRIL 1, 2003	<u>70,144</u>	<u>70,144</u>	-
FUND BALANCE - MARCH 31, 2004	<u>\$63,154</u>	<u>\$63,050</u>	<u>\$ ( 104)</u>

DALTON TOWNSHIP  
Statement of Revenues and Expenditures and Changes in Fund Balance -  
Budget and Actual  
DEBT SERVICE FUND - WILLIAMSON SEWER  
For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
REVENUES:			
Special assessments	<u>\$ -</u>	<u>\$6,160</u>	<u>\$6,160</u>
TOTAL REVENUES	<u>-</u>	<u>6,160</u>	<u>6,160</u>
EXPENDITURES:			
Debt service - Principal	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	6,160	6,160
FUND BALANCE - APRIL 1, 2003	<u>6,602</u>	<u>6,602</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2004	<u>\$6,602</u>	<u>\$12,762</u>	<u>\$6,160</u>

A zero budget was adopted for this fund.

DALTON TOWNSHIP  
Combining Balance Sheet  
FIDUCIARY FUNDS  
March 31, 2004

	<u>Agency Funds</u>				<u>TOTAL</u> <u>(memorandum only)</u>
	<u>Water Trust</u>	<u>Sewer Trust</u>	<u>Trust Fund</u>	<u>Tax Collection</u>	
<u>ASSETS</u>					
Cash	\$98	\$4,013	\$52,916	\$31,100	\$88,127
Due from other funds	<u>-</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>400</u>
	<u>\$98</u>	<u>\$4,013</u>	<u>\$53,316</u>	<u>\$31,100</u>	<u>\$88,527</u>
 <u>LIABILITIES</u>					
Accounts payable	\$-	\$ -	\$ 658	\$29,613	\$30,271
Due to other funds	-	841	2,794	-	3,635
Due to other governments	<u>98</u>	<u>3,172</u>	<u>49,864</u>	<u>1,487</u>	<u>54,621</u>
	<u>\$98</u>	<u>\$4,013</u>	<u>\$53,316</u>	<u>\$31,100</u>	<u>\$88,527</u>

DALTON TOWNSHIP  
Combining Statement of Changes in Assets and Liabilities  
ALL AGENCY FUNDS  
For the Year Ended March 31, 2004

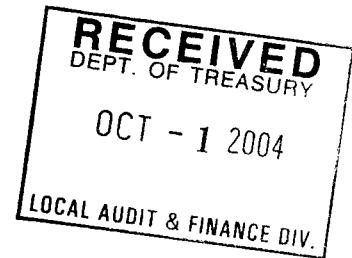
	Balance <u>April 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>March 31, 2004</u>
<u>ASSETS</u>				
Cash -				
Tax Collection	\$ 8,181	\$4,944,491	\$4,921,572	\$31,100
Sewer - Trust and Agency	3,850	3,668	3,505	4,013
Water - Trust and Agency	-	960	862	98
Trust and Agency	240,575	49,348	237,007	52,916
Due from other funds	<u>400</u>	<u>-</u>	<u>-</u>	<u>400</u>
	<u>\$253,006</u>	<u>\$4,998,467</u>	<u>\$5,162,946</u>	<u>\$88,527</u>

<u>LIABILITIES</u>				
Accounts payable	\$ 7,953	\$ 28,464	\$ 6,146	\$30,271
Due to other funds	2,610	529,770	528,745	3,635
Due to other governments	<u>242,443</u>	<u>4,440,233</u>	<u>4,628,055</u>	<u>54,621</u>
	<u>\$253,006</u>	<u>\$4,998,467</u>	<u>\$5,162,946</u>	<u>\$88,527</u>

DALTON TOWNSHIP  
Changes in General Fixed Assets  
GENERAL FIXED ASSETS ACCOUNT GROUP  
March 31, 2004

	Balance <u>April 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>March 31, 2004</u>
Land and Buildings:				
Township hall	\$ 197,000	\$ -	\$ -	\$ 197,000
Fire stations	696,153	-	-	696,153
Recreation hall	20,000	-	-	20,000
Cemetery	15,000	-	-	15,000
Maintenance	253,336	29,426	-	282,762
Fire Department:				
Vehicles	822,997	140,865	-	963,862
Radio equipment	29,300	-	-	29,300
Other equipment	40,385	-	-	40,385
Other:				
Vehicles	2,683	3,517	-	6,200
Voting equipment	35,553	-	-	35,553
Office equipment	59,584	-	-	59,584
Other equipment	<u>59,257</u>	<u>4,000</u>	<u>-</u>	<u>63,257</u>
	<u>\$2,231,248</u>	<u>\$177,808</u>	<u>\$ -</u>	<u>\$2,409,056</u>

**RICHARD B. PARKER, CPA, PC**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**2264 EAST MEINERT**  
**HOLTON, MICHIGAN 49425**  
**(616) 893-3178**



Honorable Supervisor and Members  
of the Township Board  
Township of Dalton  
Muskegon County, Michigan

In planning and performing my audit of the general purpose financial statements of the Township of Dalton, Muskegon County, Michigan, for the year ended March 31, 2004, considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control. However, I noted certain matters involving the internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control that, in my judgment, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The matters noted are only those that came to my attention and, had my procedures in internal control related matters been more extensive, other matters might have been noted. The functioning of the internal control was assessed at a point in time, and no assurances can be drawn that the internal control is functioning or will continue to function beyond the point in time at which it was assessed. No opinion is being expressed regarding the internal control taken as a whole.

My consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily disclose all matters that might be reportable conditions. In addition, because of inherent limitations in internal control, errors or fraud may occur and not be detected by such controls.

**PRIOR YEAR COMMENTS AND RESOLUTION:**

1. During the year ended March 31, 2001, the Tax Collection Fund accumulated an unknown amount of excess cash of approximately \$5,800.

The Township should determine where this excess amount should be distributed.

**RESOLUTION** - None, at March 31, 2002, 2003 and 2004 the amount of excess cash is approximately \$7,800, \$6,900, and \$9,000 respectively.

**PRIOR YEAR COMMENTS AND RESOLUTION (CONTINUED):**

2. The building inspector was hired as an independent contractor. However, certain activities observed while performing the audit make it appear the building inspector may be performing certain functions of an employee instead of an independent contractor, which could result in the assessment of various payroll taxes and various other legal implications of which your attorney can advise.

The Internal Revenue Code contains various provisions to determine the classification of workers as employee versus independent contractor. The Township should determine how the building inspector should be classified and then proceed to establish the appropriate relationship with the building inspector in accordance with provisions of the Internal Revenue Code.

**RESOLUTION** - The Township's attorney is reviewing this matter.

3. With the information available to me, I could not determine if the Township had confirmed the Strand Road Special Assessment Roll. Resolution #5 concerning this special assessment was approved November 6, 2000, however, a copy of Resolution #5 could not be found.

The Township should determine if the Strand Road Special Assessment has been confirmed. It should then determine the correct amount to be confirmed, because at November 6, 2000 it was thought the resident's share would be approximately \$174,000. However, when the project was completed it was determined the special assessment roll was approximately \$106,000. Any necessary corrections should be made.

**RESOLUTION** - None.

4. Township Ordinance #140 regarding medical insurance coverage for retired Township officials and employees does not define "medical insurance coverage". In the past it was used to pay medical insurance premiums. However, during the current year it was used to cover dental and vision insurance premiums.

The Township should determine, and define, what it considers "medical insurance coverage".

**RESOLUTION** - According to information available to me, the Township is currently in the process of reviewing it's ordinances.

5. The Township did not confirm the Williamson Road Sewer Special Assessment roll.

The Township should request a legal opinion concerning the propriety of the Williamson Road Sewer Special Assessment roll.

**RESOLUTION** - None



**PRIOR YEAR COMMENTS AND RESOLUTION (CONTINUED):**

6. During the audit of March 31, 2003 it was noted that the Township paid approximately \$2,800 for private road maintenance.

The Township should not pay to maintain private roads because they are not Township property.

**RESOLUTION** - None. The Township should obtain a legal opinion concerning the maintenance of private roads.

7. The Township Cemetery Fund ended the year with a deficit fund balance of \$356.

The Township is required to file a deficit elimination plan with the Michigan Department of Treasury.

**RESOLUTION** - No funds ended the current year with a deficit fund balance.

**CURRENT YEAR COMMENTS:**

1. During the current year Dalson Road Debt Retirement and Page Road Debt Retirement did not make their payment due to the General Fund on their loans.

The Dalson and Page Road Debt Retirement Funds should pay the required yearly payment to the General Fund.

2. During the current year several duplicate payments were noted. This occurred because one payment was made from an invoice and the other was made from a statement. Most overpayments were subsequently credited to the Township, however, it could not be determined if one vendor did credit the overpayment to the Township's account.

Only original invoices should be paid. Payments should not be authorized from statements or, except in rare instances, copies of invoices. Invoices should also be examined for a previous, unpaid balance.

3. The Township has not distributed trailer park fees and delinquent personal property taxes collected in a timely manner to other various units of local government.

The Township should distribute trailer park fees and delinquent personal property taxes as they are collected.

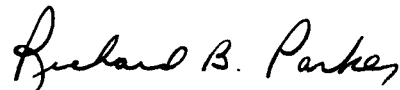
CURRENT YEAR COMMENTS (CONTINUED):

4. The imprest payroll bank account has a balance of approximately \$11,000. This bank account should have a small balance which is consistently maintained (only enough to keep the bank account open).

This large balance is created by withholding various items from employees pay checks, such as fire uniforms and cell phones, and not distributing those items withheld to the proper fund that actually paid for the fire uniform, cell phones, etc.

The Township should determine the required distribution of this excess balance and distribute the money accordingly.

This report is intended solely for the information and use of the Township Board, and the Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

July 13, 2004  
Holton, Michigan